

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,
Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS
(Jointly Administered)

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,
Plaintiff,

v.

AMBAC ASSURANCE CORPORATION, *et al.*,
Defendants.

Adv. Proc. No. 20-00003-
LTS

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (iv) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19 BK 5523-LTS) (Last Four Digits of Federal Tax ID: 3801).

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,
as representative of
THE COMMONWEALTH OF PUERTO RICO,
Plaintiff,
v.
AMBAC ASSURANCE CORPORATION, et al.,
Defendants.

Adv. Proc. No. 20-00004-
LTS

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,
as representative of
THE COMMONWEALTH OF PUERTO RICO,
Plaintiff,
v.
AMBAC ASSURANCE CORPORATION, et al.,
Defendants.

Adv. Proc. No. 20-00005-
LTS

**SECOND URGENT JOINT MOTION TO CONTINUE DEADLINES IN
CERTAIN PROCEEDINGS**

To the Honorable United States Magistrate Judge Judith Gail Dein and the Honorable United States District Court Judge Laura Taylor Swain:

Ambac Assurance Corporation (“Ambac”), Financial Guaranty Insurance Company (“FGIC”), The Bank of New York Mellon (“BNYM”), U.S. Bank Trust National Association (“U.S. Bank”, and collectively with Ambac, FGIC, and BNYM, “Settling Creditors”), Milliman, Inc. (“Milliman”), and the Financial Oversight and Management Board for Puerto Rico (the “Board”), as Title III representative of the Commonwealth of Puerto Rico (the “Commonwealth”) pursuant to section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”) (collectively, the “Parties”), respectfully submit, in light of the recently announced settlement of certain matters, this second urgent joint motion to continue certain deadlines pending in the above-captioned proceedings (the “Matters”).

BACKGROUND

1. As the Parties informed the Court during the disclosure statement hearing, on July 14, 2021, the Parties reached an agreement in principle regarding a settlement. As a result of the tentative settlement, the Parties further agreed that certain pending deadlines in the Matters should be adjourned given that a settlement could obviate the need to proceed with those Matters. The Parties moved for adjournment to dates identified in the Urgent Motion of July 15, 2021 [ECF 17370],² which the Court granted on July 16, 2021 [ECF 17389]. Since then, the Parties have been diligently engaged in the process of formalizing that agreement, which was finalized on or about July 27, 2021.

2. Disclosure Statement Hearing. On July 24, 2021, the Court issued an order rescheduling the Disclosure Statement Hearing to Thursday, July 29, 2021, with an amended

² Unless otherwise indicated, all ECF numbers referenced herein refer to the docket in Case No. 17 BK 3283-LTS.

Disclosure Statement and proposed order due July 27, 2021 and any objections due July 28, 2021. [ECF 17501]. In light of the new Disclosure Statement schedule and the Parties' now-executed settlement, the Parties agreed that certain pending deadlines established in the Court's July 16 Order regarding the Matters should be further adjourned and reset on the schedule described below, given that the settlement could obviate the need to proceed with those Matters.

3. Revenue Bond Adversary Proceedings. On January 16, 2020, the Board initiated the above-captioned adversary proceedings seeking to disallow claims by holders of HTA Bonds, CCDA Bonds, and PRIFA Bonds (collectively, the "Revenue Bond Adversary Proceedings"). The Revenue Bond Adversary Proceedings are currently stayed in part pursuant to the Court's March 10, 2020 *Final Case Management Order For Revenue Bonds* [ECF No. 12186]. Currently pending before the Court are the Board's partial summary judgment motions (the "Summary Judgment Motions") in each of the Revenue Bond Adversary Proceedings.³ Pursuant to the Court's July 16, 2021 Order, the Settling Creditors' deadline to file supplemental briefing regarding the Summary Judgment Motions is this Wednesday, July 28, 2021, and the Commonwealth's date to file responses thereto is August 25, 2021. *See Order* [ECF No. 17389].

4. Milliman Rule 2004 Discovery. On January 13, 2021, the Court issued its *Order* [ECF No. 15589] granting *Ambac Assurance Corporation's Urgent Motion for an Order Authorizing Third-Party Discovery under Bankruptcy Rule 2004 Concerning Pension Liabilities*

³ See *Notice of Motion and Motion of the Commonwealth of Puerto Rico, by and Through the Financial Oversight and Management Board, Pursuant to Bankruptcy Rule 7056 for Partial Summary Judgment Disallowing Claims* [ECF No. 43 in Adv. Proc. No. 20-00003-LTS] relating to the PRIFA Bonds; *Notice of Motion and Motion of the Commonwealth of Puerto Rico, by and Through the Financial Oversight and Management Board, Pursuant to Bankruptcy Rule 7056 for Partial Summary Judgment Disallowing Claims* [ECF No. 40 in Adv. Proc. No. 20-00004-LTS] relating to the CCDA Bonds; *Notice of Motion and Motion of the Commonwealth of Puerto Rico, by and Through the Financial Oversight and Management Board, Pursuant to Bankruptcy Rule 7056 for Partial Summary Judgment Disallowing Claims* [ECF No. 50 in Adv. Proc. No. 20-00005-LTS] relating to the HTA Bonds.

[ECF. No. 15342]. Discovery pursuant to that order (the “Milliman Rule 2004 Discovery”) has been ongoing. Pursuant to the Court’s July 16, 2021 Order, a joint status report regarding the status of Milliman Rule 2004 Discovery is due July 28, 2021. *See Order* [ECF No. 17389]. The now-executed settlement with the Settling Creditors could obviate the need for further litigation concerning the Milliman Rule 2004 Discovery.

5. Cash/Assets Rule 2004 Discovery. On October 28, 2019, Ambac filed *Ambac Assurance Corporation’s Motion for Entry of Order Authorizing Discovery Under Bankruptcy Rule 2004 Concerning Commonwealth Assets* (ECF No. 9022) (the “Assets Motion”), and *Ambac Assurance Corporation’s Motion for Entry of Order Authorizing Discovery Under Bankruptcy Rule 2004 Concerning Commonwealth Cash Restriction Analysis* (ECF No. 9023) (the “Cash Motion” and, together with the Assets Motion, the “Original Rule 2004 Motions”). On November 8, 2019, the Government Parties filed the *Urgent Motion of Financial Oversight and Management Board for Puerto Rico and Puerto Rico Fiscal Agency and Financial Advisory Authority to Strike (A) Ambac Assurance Corporation’s Motion for Entry of Order Authorizing Discovery Under Bankruptcy Rule 2004 Concerning Commonwealth Assets [ECF No. 9022] and (B) Ambac Assurance Corporation’s Motion for Entry of Order Authorizing Discovery Under Bankruptcy Rule 2004 Concerning Commonwealth Cash Restriction Analysis [ECF No. 9023] and for Sanctions* (ECF No. 9131) (the “Motion to Strike”). On January 23, 2020, the Court (Swain, J.) issued an order denying the Motion to Strike (ECF No. 10332) (the “Order”). Pursuant to that order, and subsequent orders entered by the Court, Ambac, the Board, and the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”) have filed periodic joint status reports regarding the status of the Rule 2004 discovery (the “Cash/Assets Rule 2004 Discovery”). A further joint status report is due on Friday, July 30, 2021. *See Order* [ECF No. 17392]. The now-

executed settlement with the Settling Creditors could obviate the need for further litigation concerning the Cash/Assets Rule 2004 Discovery.

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction over this matter under PROMESA section 306(a), 48 U.S.C. § 2166(a), and venue is proper under PROMESA section 307(a), 48 U.S.C. § 2167(a).

RELIEF REQUESTED

7. The Parties request that the Court continue the foregoing existing deadlines in the Matters in the following manner:

- a. the Settling Creditors' deadline to file supplemental briefing regarding the Summary Judgment Motions shall be August 4, 2021, at 5 p.m. AST;
- b. the Commonwealth's date to file responsive briefing shall be September 1, 2021, at 5 p.m. AST;
- c. the hearing on the Summary Judgment Motions shall remain on September 15, 2021, or as soon thereafter as the Court is prepared to hear the motion (other than September 16, 2021, for religious observance);
- d. The parties shall file a joint status report regarding the status of the Milliman Rule 2004 Discovery by no later than August 9, 2021.
- e. The parties shall file a joint status report regarding the status of the Cash/Assets Rule 2004 Discovery by no later than August 9, 2021.

8. The Parties propose this revised schedule in light of the Court scheduling a further hearing on issues pertaining to the approval of a disclosure statement on July 29, 2021, and to allow the Parties additional time to prepare and file a further motion to stay the Matters as

contemplated by the settlement. If the Parties need to further extend the schedules in the Matters based on the status of the settlement or the preparation of the further motion to stay, the Parties will promptly advise the Court. As a matter of judicial economy and Party resources, the Parties should not be required to move forward and actively litigate matters that could be resolved through the negotiated settlement. No prejudice to non-movants exists, as the requested adjournments apply only to matters among the Parties.

9. Pursuant to Paragraph I.H of the *Fifteenth Amended Notice, Case Management and Administrative Procedures* [ECF No. 17127-1], Movants hereby certify that they have carefully examined the matter and concluded that there is a true need for the Urgent Motion; have not created the urgency through any lack of due diligence; and have made reasonable, good-faith efforts to resolve or narrow the issues that are being brought to the Court, including by meeting and conferring with opposing counsel. The Parties have conferred with counsel to AAFAF, which has agreed that the Parties may represent to AAFAF's consent to the continuation of the deadlines in matters in which AAFAF is a party in interest.

[Remainder of page intentionally left blank]

Dated: July 27, 2021
San Juan, Puerto Rico

FERRAIUOLI LLC

By: /s/ Roberto Cámara-Fuertes
Roberto Cámara-Fuertes (USDC-PR No. 219002)
Sonia Colón (USDC-PR No. 213809)
221 Ponce de León Avenue, 5th Floor
San Juan, PR 00917
Telephone: (787) 766-7000
Facsimile: (787) 766-7001
Email: rcamara@ferraiuoli.com
scolon@ferraiuoli.com

MILBANK LLP

By: /s/ Atara Miller
Dennis F. Dunne (admitted *pro hac vice*)
Atara Miller (admitted *pro hac vice*)
Grant R. Mainland (admitted *pro hac vice*)
John J. Hughes, III (admitted *pro hac vice*)
Jonathan Ohring (admitted *pro hac vice*)
55 Hudson Yards
New York, NY 10001
Telephone: (212) 530-5000
Facsimile: (212) 530-5219
Email: ddunne@milbank.com
amiller@milbank.com
gmainland@milbank.com
jhughes2@milbank.com
johring@milbank.com

REXACH & PICÓ, CSP

By: /s/ María E. Picó
María E. Picó
(USDC-PR No. 123214)
802 Ave. Fernández Juncos
San Juan, PR 00907-4315
Telephone: (787) 723-8520
Facsimile: (787) 724-7844
Email: mpico@rexachpico.com

BUTLER SNOW LLP

By: /s/ Martin A. Sosland
Martin A. Sosland (admitted *pro hac vice*)
2911 Turtle Creek Blvd., Suite 1400
Dallas, TX 75219
Telephone: (469) 680-5502
Facsimile: (469) 680-5501
Email: martin.sosland@butlersnow.com

James E. Bailey III (admitted *pro hac vice*)
Adam M. Langley (admitted *pro hac vice*)
6075 Poplar Ave., Suite 500
Memphis, TN 38119
Telephone: (901) 680-7200
Facsimile: (901) 680-7201
Email: jeb.bailey@butlersnow.com
adam.langley@butlersnow.com

Attorneys for Financial Guaranty Insurance Company

**GLENN AGRE BERGMAN &
FUENTES LLP**

By: /s/ Andrew K. Glenn

Andrew K. Glenn (admitted pro hac vice)
Olga Fuentes-Skinner (admitted pro hac vice)
Marissa E. Miller (admitted pro hac vice)
55 Hudson Yards – 19th Floor
New York, New York 10001
Telephone: (212) 358-5600
Email: aglenn@glennagre.com
ofuentes@glennagre.com
mmiller@glennagre.com

Attorneys for Ambac Assurance Corporation

RIVERA, TULLA AND FERRER, LLC

By: /s/ Eric A. Tulla
Eric A. Tulla
(USDC-DPR No. 118313)
Email: etulla@riveratulla.com
Iris J. Cabrera-Gómez
(USDC-DPR No. 221101)
Email: icabrera@riveratulla.com
Rivera Tulla & Ferrer Building
50 Quisqueya Street
San Juan, PR 00917-1212
Telephone: (787) 753-0438
Facsimile: (787) 767-5784

SEPULVADO, MALDONADO & COURET

By: /s/ Albéniz Couret Fuentes
Albéniz Couret Fuentes
(USDC-PR No. 222207)
304 Ponce de León Ave. Suite 990
San Juan, PR 00918
Telephone: (787) 765-5656
Facsimile: (787) 294-0073
Email: acouret@smclawpr.com

HOGAN LOVELLS US LLP

By: /s/ Ronald Silverman
Ronald Silverman, Esq.
Michael C. Hefter, Esq.
390 Madison Avenue
New York, NY 10017
Telephone: (212) 918-3000
Facsimile: (212) 918-3100
ronald.silverman@hoganlovells.com
michael.hefter@hoganlovells.com

***Attorneys for U.S. Bank Trust National
Association, in its Capacity as Trustee
to PRIFA Bondholders***

REED SMITH LLP

By: /s/ Jared S. Roach
Luke A. Sizemore (admitted *pro hac vice*)
Jared S. Roach (admitted *pro hac vice*)
225 Fifth Avenue, Suite 1200
Pittsburgh, PA 15222
Telephone: (412) 288-3131
Facsimile: (412) 288-3063
Email: lsizemore@reedsmith.com
jroach@reedsmith.com

***Attorneys for The Bank of New York Mellon, in
its Capacity as Trustee to CCDA Bondholders
and as Fiscal Agent to the HTA Bondholders***

O'NEILL & BORGES LLC

/s/ Hermann D. Bauer

Hermann D. Bauer
USDC No. 15205
250 Muñoz Rivera Ave., Suite 800
San Juan, PR 00918-1813
Tel: (787) 764-8181
Fax: (787) 753-8944
Email: hermann.bauer@oneillborges.com

PROSKAUER ROSE LLP

/s/ Michael A. Firestein

Martin J. Bienenstock
Jeffrey Levitan
Ehud Barak
(Admitted *Pro Hac Vice*)

Eleven Times Square
New York, NY 10036
Tel: (212) 969-3000
Fax: (212) 969-2900
Email: mbienenstock@proskauer.com
jlevitan@proskauer.com
ebarak@proskauer.com

Michael A. Firestein
Lary Alan Rappaport
(Admitted *Pro Hac Vice*)
2029 Century Park East
Suite 2400
Los Angeles, CA 90067-3010
Tel: (310) 557-2900
Fax: (310) 557-2193
Email: mfirestein@proskauer.com
lrappaport@proskauer.com

***Attorneys for the Financial
Oversight and Management Board,
as Representative of the Commonwealth***

By: /s/ Frank S. Harrison

Frank S. Harrison (*admitted pro hac vice*)
WILLIAMS, KASTNER & GIBBS PLLC
601 Union Street, Suite 4100
Seattle, WA 98101-2380
Tel: (206) 628-6600
fharrison@williamskastner.com

By: /s/ Brett Ingerman

Brett Ingerman (*admitted pro hac vice*)
DLA Piper LLP (US) The Marbury Building,
6225 Smith Ave.
Baltimore, MD 21209-3600
Tel: (410) 580-4177
brett.ingerman@us.dlapiper.com

By: /s/ Mariana Muñiz Lara

Mariana Muñiz Lara
DLA Piper (Puerto Rico) LLC
PRDC Bar No. 231,706
Calle de la Tanca #500, Suite 401
San Juan, PR 00901-1969
Tel: (787) 945-9106
mariana.muniz@dlapiper.com

Attorneys for Milliman, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this same date a true and exact copy of this notice was filed with the Clerk of Court using the CM/ECF system, which will notify a copy to counsel of record.

/s/ Roberto Cámara-Fuertes

Roberto Cámara-Fuertes (USDC-PR No. 219002)

221 Ponce de León Avenue, 5th Floor

San Juan, PR 00917

Telephone: (787) 766-7000

Facsimile: (787) 766-7001

Email: rcamara@ferraiuoli.com